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# Air Resources Board

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Gray Davis  
Governor

August XX, 2002

## MANUFACTURERS ADVISORY CORRESPONDENCE (MAC) 2002 – 0X

TO: ALL PASSENGER CAR MANUFACTURERS  
ALL LIGHT-DUTY TRUCK MANUFACTURERS  
ALL MEDIUM-DUTY VEHICLE MANUFACTURERS  
ALL OTHER INTERESTED PARTIES

SUBJECT: Zero Emission Vehicle (ZEV) Voluntary Reporting and Tracking System

This letter transmits a Manufacturers Advisory Correspondence that provides vehicle manufacturers and other interested parties with the ARB format and policy to be used for reporting and tracking ZEVs should they choose to report vehicle deliveries and placements.

The requirements of the Air Resources Board's (ARB's) ZEV regulation were scheduled to take effect with the 2003 model year. On June 11, 2002, a federal district judge issued a preliminary injunction to enjoin the enforcement of the ZEV regulation amendments adopted May 24, 2002, with respect to the sale of new motor vehicles in the 2003 or 2004 model years pending final resolution of the case. Therefore, the reporting of ZEVs is currently voluntary.

If you have any questions regarding this matter, please contact Ms. Krista Eley, Mobile Source Control Division, ZEV Implementation Section, at (916) 322-2333 or [keley@arb.ca.gov](mailto:keley@arb.ca.gov).

Sincerely,

Bob H. Cross, Chief  
Mobile Source Control Division

Attachments

*The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our Website: <http://www.arb.ca.gov>.*

California Environmental Protection Agency

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## State of California Air Resources Board

### Draft Manufacturers' Advisory Correspondence

MAC #2002-XX

Subject: Format and policies for manufacturer Zero Emission Vehicle (ZEV) Voluntary Reporting for 2002 and subsequent model-year ZEVs, Advanced Technology Partial ZEVs (AT PZEVs) and Partial ZEVs (PZEVs).

Applicability: Manufacturers of 2002 and subsequent model-year ZEVs, AT PZEVs and PZEVs certified for sale in California that choose to voluntarily report and any person or entity that transacts credits for these vehicles including, but not limited to, credit brokers and transportation project managers that choose to voluntarily report.

References: Section 1961(d), Title 13, California Code of Regulations (CCR) and the incorporated "California Exhaust Emission Standards and Test Procedures for 2001 and Subsequent Model Passenger Cars, Light-Duty Trucks and Medium-Duty Vehicles," adopted August 5, 1999, and last amended December 27, 2000.

Section 1962, Title 13, CCR and the incorporated "California Exhaust Emission Standards and Test Procedures for 2003 and Subsequent Model Zero-Emission Vehicles, and 2001 and Subsequent Model Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes," adopted May 24, 2002 and effective June 23, 2002.

Background: The California ZEV regulations were originally adopted by the ARB in 1990, as part of the first California low-emission vehicle (LEV I) regulations. The ZEV program is an integral part of California's mobile source control efforts, and is intended to encourage the development of advanced technologies that will secure increasing air quality benefits for California now and into the future. The ZEV regulations nominally require that 10 percent of the passenger cars and the lightest light-duty trucks produced and delivered for sale in California by all but small volume manufacturers be ZEVs – vehicles with no emissions. However, there are mechanisms under which a manufacturer may satisfy part – or in some cases all – of its ZEV obligation with partial ZEV allowances generated from vehicles with extremely low emissions.

At a January 25, 2001 public hearing, the Board adopted changes to the ZEV regulations that will significantly reduce the number of ZEVs required during the near term. These amendments, approved by the Office of Administrative Law on May 24, 2002, will also result in an increase in the number of ZEVs over time. These amendments provide greater flexibility for manufacturers to meet the ZEV regulations and provide numerous credit multipliers to encourage a variety of actions such as placing vehicles early, manufacturing vehicles with greater range and fast refueling. These amendments also give credits towards vehicles used in advanced technology demonstration programs and vehicles placed as part of a

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transportation system. As a result, the ZEV regulations have become more complex and therefore require more detailed reporting from vehicle manufacturers.

As discussed in the cover letter to this MAC the requirements of the Air Resources Board's (ARB's) ZEV regulation were scheduled to take effect with the 2003 model year. On June 11, 2002, a federal district judge issued a preliminary injunction to enjoin the enforcement of the ZEV regulation amendments adopted May 24, 2002, with respect to the sale of new motor vehicles in the 2003 or 2004 model years pending final resolution of the case. Therefore, the reporting of ZEVs is currently voluntary.

Currently, manufacturers submit quarterly production data for ZEVs and PZEVs in accordance with MAC 2000-01 and annual summary production reports in accordance with Mail Out 95-04. However, this data would be insufficient to determine ZEV credits with the ZEV regulation revisions approved on May 24, 2002.

Discussion: Beginning with the 2002 model year, all ZEV, AT PZEV and PZEV manufacturers and other interested parties, if they choose to report, ARB requests that a hard copy of the appropriate forms be submitted and an electronic version of the ZEV reports be submitted with an attached cover letter. Vehicle manufacturers will continue to report production data as previously required.

The ARB forms for voluntary ZEV reporting include: 1) an application form for opening a "ZEV account" with the ARB, and 2) a form for transferring credits. These electronic forms are presented in the following Attachments:

Application for Zero Emission Vehicle Credit Account, Bank of ZEV	Attachment	A
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Zero Emission Vehicle Credit Transfer Form	Attachment	B
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The ARB-specified electronic format needed for voluntarily submitting ZEV reports is presented in the following Attachments:

Vehicle Delivered and Placement Credits ZEVs AT PZEVs and PZEVs	Attachment	C
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Other Types of Credits In-Service Warranty Advanced Technology Demonstration Program Transportation Systems	Attachment	D
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ZEV Credit Account Holder Identification Codes	Attachment	E
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## Policy:

### **Credit Bank**

The ARB will utilize the ZEV Credit Bank to track ZEV credits earned by vehicle manufacturers and transacted by credit traders. The system will track ZEV credits and generate annual and quarterly statements.

Manufacturers of 2002 and subsequent model-year ZEVs, AT PZEVs and PZEVs certified for sale in California and any person or entity that holds ZEV credits for any length of time including, but not limited to, credit brokers and transportation project managers, if they choose to report, need to apply for a ZEV credit account with the ARB. See Attachment A for ZEV Credit Account Application.

**The ARB will record ZEVs in the ZEV credit bank. The recording of vehicles is subject to verification of the information substantiating delivery and placement of ZEVs. If the ARB determines that discrepancies exist in any ZEV information submitted, staff will notify the appropriate party and will accordingly adjust the credit bank. ARB may perform audits at any time.**

Recorded ZEV credits will be multiplied by the Non-Methane Organic Gases (NMOG) fleet average requirement for the appropriate model year. ZEV credits will be stored in the Credit Bank in units of grams per mile Non-Methane Organic Gases (grams/mile NMOG).

### **Frequency of Reporting**

ZEV credit account holders may submit a ZEV credit report a maximum of once per quarter.

### **Credit Statements**

Credit Statements will be issued to ZEV credit account holders a maximum of quarterly and at a minimum annually, according to the frequency of reporting by the ZEV credit account holder.

### **Credit Types**

#### Vehicle Delivered and Placed

##### ZEVs

ZEVs may receive ZEV credits at several points in time including “Delivered for sale,” “Placed in service” and “In Service Warranty.” Vehicles receive a base credit when “Delivered for sale” and remaining ZEV credits based on applicable multipliers when “Placed in Service.”

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**Delivered for sale** – Vehicles that have received a bill of lading for sale in California and are shipped, or in the process of being shipped to a dealer in California.

**Placed in Service** – As defined in the ZEV Regulations “means having been sold or leased to an end-user and not to a dealer or other distribution chain entity, and having been individually registered for on-road use by the California Department of Motor Vehicles.”

**All “Placed in Service” vehicles will be verified with the California Department of Motor Vehicles (DMV). If any vehicles within a reported batch cannot be verified with the DMV, the ZEV credit bank administrator will contact the Account Holder and request that those records be corrected and a new batch submitted. Only if the entire batch is verified will the data be recorded in the credit bank.**

**Neighborhood Electric Vehicles (NEVs) and Full Function Electric Vehicles (FEEVs)**– For reporting and tracking purposes a distinction is made between NEVs and FEEVs regarding the use of banked NEV credits and the NEV discount multiplier.

## AT PZEVs and PZEVs

AT PZEVs and PZEVs may earn credits for “Delivered for sale.” No additional credits or multipliers are applied when the vehicles are placed. Thus, the bank does not track placement for AT PZEVs and PZEVs.

## Other Credit Types

### In-Service Warranty Multiplier

ZEVs and some AT PZEVs may earn ZEV credits for releasing vehicles in accordance with the ZEV Regulation section 1962(d)(6)(B)(f). Neighborhood Electric Vehicles (NEVs) are not eligible to earn the credit for the In-Service Warranty Multiplier.

### Advance Technology Demonstration Programs

A vehicle placed in a California advance technology demonstration program may earn ZEV credits even if it is not “delivered for sale” in accordance with ZEV Regulation section 1962 (g)(1)(C)(4). Approval by the ARB’s Executive Officer is required for Advance Technology Demonstration Program credits. Generally this credit is only available for advanced technology vehicles, such as fuel cell powered vehicles that may or may not be registered with the DMV. **A copy of the letter indicating the ARB Executive Officer’s approval of the Advanced Technology Demonstration Program must be submitted with any reported credits generated under this program.**

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## Transportation Systems

In model years 2001 through 2007, a ZEV, AT PZEV or PZEV placed as part of a transportation system may earn ZEV credits in accordance with the ZEV Regulation section 1962 (g)(1)(C)(5). Approval by the Executive Officer is required for transportation system credits. NEVs are not eligible to earn credit for transportation systems. **A copy of the letter indicating the ARB Executive Officer's approval of the Transportation Systems Program must be submitted with any reported credits generated under this program.**

## **Transferring Credits**

Credits may be transferred between parties and entities. Any party or entity that holds ZEV credits for any length of time including, but not limited to, credit brokers and transportation project managers, must first have an account with the Air Resources Board ZEV Credit Bank. The ZEV credit bank administrator will contact the Primary Account Holders and confirm the transfer request. See Attachment B for the Transferring ZEV Credit Form.

**If a transferor double sells credits (sells the same credits to two or more parties or manufacturers), only the transferee to first record with the ZEV Credit Bank will receive credit. The transferee that records with the ZEV Credit Bank after the transferor's credits have been exhausted will not receive credit and will be notified of the shortfall. The ZEV credit bank administrator will notify the appropriate parties of the discrepancy.**

## **Confidentiality**

In accordance with Title 17, California Code of Regulations (CCR), sections 91000 to 91022, and the California Public Records Act (Government Code Section 6250 et seq.), the information that a company provides to the ARB may be released (1) to the public upon request, except trade secrets which are not emissions data or other information which is exempt from disclosure or the disclosure of which is prohibited by law; and (2) to the Federal Environmental Protection Agency (EPA), which protects trade secrets as provided in Section 114(c) of the Clean Air Act and amendments thereto (42 USC 7401 et seq.) and in federal regulation; and (3) to other public agencies provided that those agencies preserve the protections afforded information which is identified as a trade secret, or otherwise exempt from disclosure by law (Section 39660(e)).

Trade secrets as defined in Government Code Section 6254.7 are not public records and therefore will not be released to the public. However, the California Public Records Act provides that air pollution emission data are always public records, even if data comes within the definition of trade secrets. On the other hand, the information used to calculate information is trade secret.

If any company believes that any of the information it may provide is trade secret or otherwise exempt from disclosure under any other provision of law, it must

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identify the confidential information as such at the time of submission to the ARB and must provide the name, address, and telephone number of the individual to be consulted, if the ARB receives a request for disclosure or seeks to disclose the data claimed to be confidential. The ARB may ask the company to provide documentation of its claim of trade secret or exemption at a later date. Data identified as confidential will not be disclosed unless the ARB determines, in accordance with the above referenced regulations, that the data do not qualify for a legal exemption from disclosure.

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## Guidance for Electronic Submittal of Data Files

Manufacturers and other persons or entities transacting ZEV credits if they choose to report, need to submit ZEV Credit Reports electronically using all applicable fields with the domains as defined in Attachment C and Attachment D. Note that all fields are required. The preferred electronic format is comma delimited text. As a convenience, ARB is able to import Microsoft Office 97 software products Excel and Access. Please contact the ZEV credit bank administrator if you can not use any of these file formats.

**If an electronic submittal has incomplete or incorrectly formatted data, the data will take longer to process. In addition, the ZEV credit bank administrator will contact the Account Holder and request that the records be corrected and a complete new credit batch submitted. Only if the entire credit batch is complete and correctly formatted will the data be recorded in the credit bank.**

Each file should be named using the format, YYYYMMMM.XXX, as defined below:

YYYY = Model Year (example: 2002, 2003, etc.)  
MMMM = Manufacturer code (see Attachment E)  
XXX = file extension  
    CSV for comma separated ASCII Text file  
    TXT for comma delimited ASCII Text file  
    MDB for Access file Microsoft Office 97  
    XLS for Excel file Microsoft Office 97

The electronic file formats provided in Attachments E and F describe each field in detail. The columns are:

Sequence	Order of the data in the record
Data Name	Name of the data field
Type	Identifies type of the field C = Characters (i.e. Alpha-Numeric) N = Numeric D = Date - date format should be used
Length	Specifies the number of characters in each field. For numeric, specifies the number of digits including the decimal, if any.
Range or Domain	Lists the possible inputs or format for the field
Description	Describes the field
Reference	Reference to ZEV Regulation